SET FIVE

5.1. Answer the following questions:

1. How did people trade in ancient times?

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2. Why was gold introduced as a means of payment?

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3. How did the first coins get minted?

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4. What was the difference between the goldsmiths' system and the traditional means of payment?

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5. What does the "gold standard" consist of?

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6. Why was the gold standard abandoned?

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7. Name some contemporary uses of gold.

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8. Is gold still used in coins?

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9. How is gold traded today?

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5.2. Fill in the blanks and then check your answers by going back to the text on page 10 in *English for Economic Studies, Part III*:

For thousands of years, gold was the … money. It could buy anything including…

Money didn't exist in ancient times so people had to trade with each other – or … But these

changes were … and some common place commodities, such as grains, started to assume the role of money. Gold had become the symbol of … and power. Being portable and …, it was an ideal form of money.

5.3. Give as many synonyms as you can for the following:

glitter .....
cumbersome .....
common .....
ideal .....
trade .....
people .....
in return .....
to back .....
war .....
to be short of .....
accumulate .....
to base .....
claim .....
assume .....
commodity .....
ruler .....
to establish .....
stimulus .....
to recognise .....
advanced .....
to take for granted .....
to conceive .....
step .....
to act as .....

5.4. Give the corresponding adjectives to the following: war, money, gold, specialisation, standard, regulation, trade, interest, lend, manager, deteriorate, in addition, apparent, price, exchange, recent, sell, let, buy, redeem, work, establish, amaze, stimulus, economy, significance, form, universal.

5.5. Give the corresponding forms of adverbs for the previous adjectives, where possible, and make sentences of your own.

5.6. The banking system in England

Answer the questions below. If you are not sure go back to page 107, 108 in your textbook:

1. When was the Central Bank of England established? .....
2. What was the statute of the Bank of England when it was established? .....
3. Enumerate the functions of this bank. .....

4. Explain what is a fiduciary note issue. .....
5. What is the way by which the Bank of England can influence the money market conditions? .....
6. Explain the main responsibilities of the Bank of England in the sale markets for money in London. .....
7. Why do you think the power of the Bank of England was increased by the banking legislation? .....
8. What is the main role of the Bank of England in the British banking environment? .....
9. Where is the EMU Bank to be placed and what is to be its function? .....
10. Why do you think that the EMU European Bank will be free of instructions? .....

5.7. A history of the banking system in England

Answer the following questions:

1. Where do you trace the origin of modern banking?
2. What was the practice of banking operations in the Middle Ages?
3. Was there any role of banking in politics?
4. What people is considered to have been the most powerful in banking along the ages?
5. Where is Lombard Street?
6. What is its significance for the banking history?
7. What is the difference between goldsmiths and bankers?
8. What is the forerunner of the banknote?
9. What is the importance of establishing a Clearing House for the banking activity?
10. What is the role of competition and economic freedom in the supply of financial services?

5.8. Explain the following words using a dictionary, then write sentences of your own.

a) assets .....
b) cash .....
c) interest .....
d) liquid .....
e) maturity .....
f) reserve. .....

5.9. Match up the following terms with the definitions below:

1) the amount charged to a customer's account by a bank asked to handle a charge for any special services
2) an item of paper currency issued by a central bank
3) the state of an individual who is unable to pay his debt against whom a bankruptcy order has been made by a court
4) a group of selected currencies to establish a value for some other unit of currency

5) gold, silver or some other precious metal used in bulk in the forms of bars or ingots rather than in coin

6) a form of security, especially an impersonal form such as a life insurance policy or shares used to secure a bank loan

7) short-term loan to the public for the purchase of goods

8) a sum of money left with an organisation such as a bank for safekeeping or to earn interest or with a broker, dealer as a security to cover any traded losses incurred

9) the distribution of a part of a company's earnings to its shareholders

10) ordinary shares of a company, especially those of a publicity owned company – dividend, consumer credit, equities, bank charges, deposit, banknote, basket of currencies, bankruptcy, bullion, collateral

5.10. Translate into English:

C>ndva, familia Fugger din Augsburg a cunoscut celebritatea [i puterea, domin>nd afacerile cu bani ale continentului timp de dou\ veacuri, pentru a fi, apoi, dat\ uit\rii.

O mic\ avere, dob>ndit\ din me[te[ugul]es\toriei [i din nego], a fost baza de pornire a unei firme care se va specializa tot mai mult, `ncep>nd cu secolul al XV-lea, `n schimbul de bani [i c\m\t\rie. Cel care a contribuit hot\r>tor la ascensiunea familiei a fost un anume Jacob Fugger, care, prin plasarea de capitaluri [i aranjamente politice, a ajuns pe culmile puterii financiare.

Un cronicar de epoc\, Sander, va scrie despre acesta c\ „`mp\ra]ii, regii, prin]ii [i seniorii au negociat cu el, Papa l-a numit «fiul s\u iubit» [i l-a `mbr\]i[at, cardinalii se ridicau `n fa]a lui“, conchiz>nd c\ toate acestea erau „o glorie a `ntregii Germanii“.